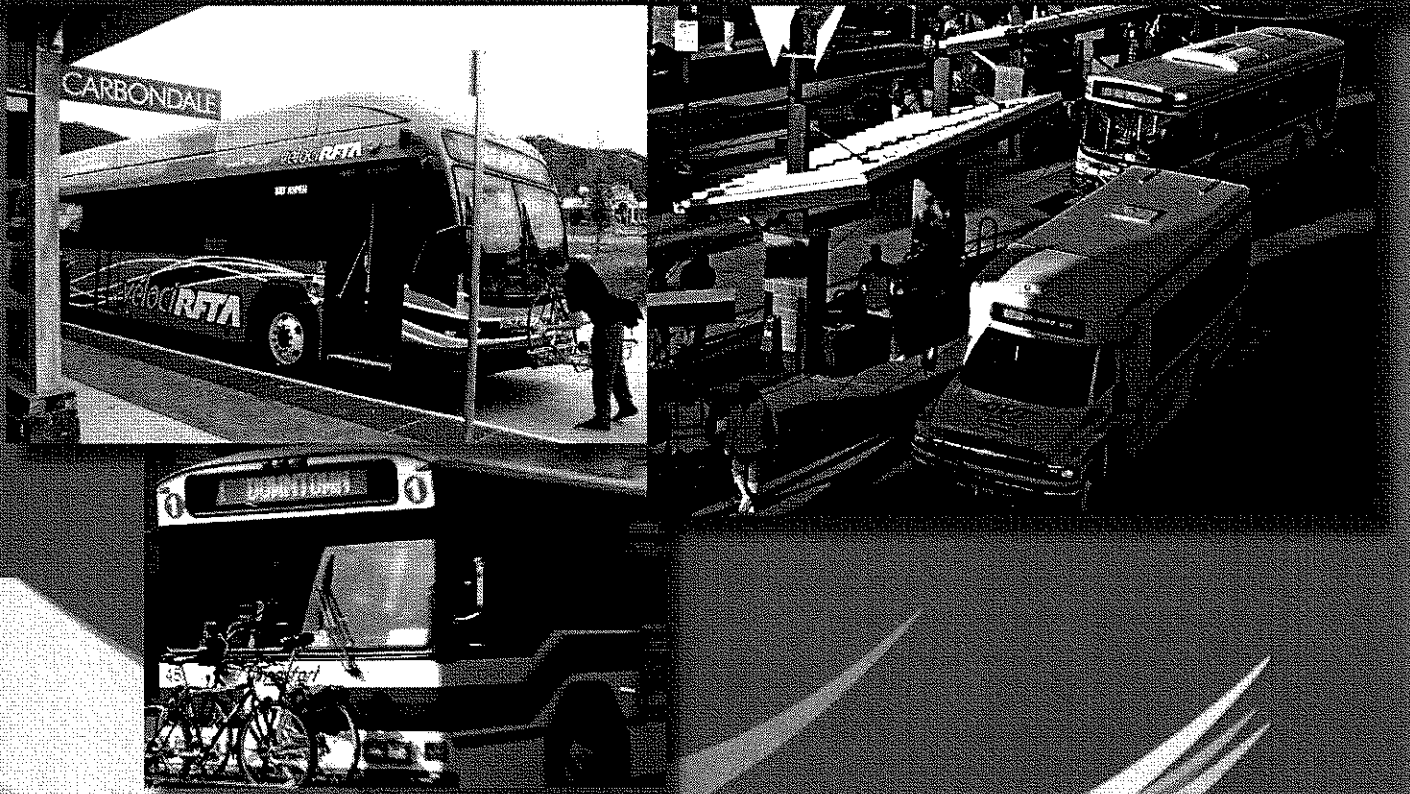


Economic Benefits of Transit Systems:

Colorado Case Studies



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EXECUTIVE SUMMARY

Public transit systems provide important economic benefits in the areas they serve. These benefits are not often quantified, leaving policy makers and the public with little information on whether public transit systems are cost-effective or broadly beneficial. Benefits arising from transit systems may result from increased user benefits (such as reduced travel times and transportation costs), increased mobility (especially for non-drivers) and increased efficiency in the transportation system (less demand for roads or parking).¹ Indirect benefits (such as reduced road congestion) accrue to non-transit users as well, and transit systems can also help shape more compact land use patterns which can have significant economic benefits.

While large metropolitan areas are often perceived as the regions where transit investment produces the most tangible economic benefits, the case studies presented in this report demonstrate that smaller communities also can experience significant economic benefits based on their own investments in local transit systems.

Although the transit systems in Fort Collins, the Roaring Fork Valley and Mesa County (Grand Junction) serve communities of disparate population sizes, geographic areas and demographics, this analysis shows that each of these transit systems generates millions of dollars in economic benefits for their respective regions. The magnitude of the benefits varies widely among communities.

Transfort, the transit service for the city of Fort Collins, serves a population of 144,000 and covers 54 square miles. The majority of its riders are students under the age of 25 and its origins and destinations are focused around the Colorado State University campus. In 2011, it provided 2.2 million rides and a total of 7.5 million passenger miles. In 2011, the total economic benefits from Transfort that we are able to quantify are estimated to be \$5.1 million, compared to local financial support (rider fares plus government subsidies) of \$5.4 million, which shows an annual net cost to the community of only \$300,000. When considering additional benefits which were not quantified for this study, Transfort almost certainly results in net economic benefit for the community.

The **Roaring Fork Transportation Authority (RFTA)** provides local and regional service along a 68 mile corridor along Interstate 70 and State Highway 82 between Rifle and Aspen. The service area spans three counties and 10 communities and serves a population of over 66,000. Most riders are commuters but there are also many recreational riders accessing ski destinations such as Snowmass and Aspen. In 2011, RFTA provided 4.1 million rides and an estimated 53.7 million passenger miles. The total economic benefits from this transit service in 2011 are estimated at \$52.1-63.4 million compared to total local financial support (rider fares plus public investment) of \$13.5 million, giving an annual net benefit to the community of \$38.6-\$49.9 million. The benefits are very high due to the high price of land in Aspen, which makes parking very expensive, as well as a

large number of employees with very long commutes.

Grand Valley Transit (GVT) serves a population of 120,000 covering 66 square miles around the urbanized area of Grand Junction. Its ridership is balanced between commuters, errand runners and students. In 2011, GVT provided 1 million rides and 4.7 million passenger miles. The total economic benefits that we were able to quantify from transit service in 2011 are estimated at \$3.9 million, compared to local financial support (rider fares plus government subsidies) of \$1.8 million, giving an annual net benefit to the community of \$2.1 million.

The case studies analyze economic benefits directly attributable to transit service in each community, such as:

- fuel savings from reduced driving;
- time and fuel savings from reduced congestion;
- income generated from jobs made accessible by transit;
- public benefits saved due to employment; and
- savings to communities from reduced demand for parking.

Additional benefits which may be substantial but were not quantified as part of this analysis due to lack of data include:

- the value of independent living for seniors;
- health benefits of walking or biking to access transit stops;
- health benefits of lowered emissions; and
- increased property values due to the proximity of transit and accident reduction.

Robust transit service can also help shape more compact land use patterns which can have significant economic benefits over time; however, we did not attempt to quantify such benefits. Thus, this study provides a very conservative estimate of the economic benefits associated with public transit.

The most significant benefit identified in each of the case studies is the mobility provided by transit systems which allows workers access to employment. Many employees lack access to personal vehicles and have no viable alternatives to reach their jobs without transit. Without transit service, some people would be unable to hold down jobs and employers would have a smaller pool of potential employees. Some of those without jobs would likely turn to public assistance to support themselves and their families.

In areas with high demand for parking and high land values, transit provides a major benefit by reducing the number of required parking spaces. In the absence of transit, thousands of additional parking spaces would be necessary to accommodate additional vehicle trips. Avoided vehicle trips also result in less gasoline consumption and reduced levels of congestion on major roadways.

This impressive collection of economic and quality-of-life benefits make it clear that transit is much more than just another alternative for going from point A to point B. Because of the significant economic benefits that transit can generate and because many of these benefits accrue to the entire population (not only transit users), communities' expenditures on transit service should be seen as wise investments in the local economy.

